



801 Frisco, Clinton, OK 73601
580.323.1766 | 580.323.1768 fax

Members of American
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Public Accountants

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Practitioner's Report on Applying Agreed-Upon Procedures

To the Specified Users of the Report:

City Board, City of Erick
Erick, Oklahoma

Trustees of the Erick Public Works Authority
Erick, Oklahoma

Oklahoma Office of State Auditor and Inspector
Oklahoma City, Oklahoma

We have performed the procedures enumerated below as defined within the applicable state laws of the State of Oklahoma solely to assist the City and Public Works Authority in meeting its financial accountability requirements as prescribed by applicable Oklahoma law and evaluating compliance with specified legal or contractual requirements for the fiscal year ended June 30, 2022. Management of the City of Erick and the Erick Public Works Authority are responsible for the City's and Authority's financial accountability and its compliance with those legal and contractual requirements.

The City of Erick and the Erick Public Works Authority has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of meeting its financial accountability requirements as prescribed in Oklahoma Statutes 11-17.105-.107 and 60-180.1-.3. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

Procedures and Findings

As to the City of Erick as of and for the fiscal year ended June 30, 2022:

- I. **Procedures Performed:** Prepare a schedule of changes in fund balances for each fund from the City's trial balances and compare the schedule results to the statutory prohibition of creating fund balance deficits to report any noted instances of noncompliance.

Findings: See Exhibit I. No instances of noncompliance noted.

- II. **Procedures Performed:** Prepare a budget and actual financial schedule for the General Fund and any other significant funds listing separately each federal fund and compare the actual expenditures reported to the authorized appropriations to report any noted instances on noncompliance with the appropriation limitations.

Findings: See Exhibit II, III IV, V, VI, VII, and VIII. No instances of non compliance noted.

Procedures Performed: Agree the City's material bank account balances to bank statements and traced the timely clearance of significant reconciling items to report any significant or unusual instances of reconciling items that have not cleared.

Findings: No instances of noncompliance noted.

- III. **Procedures Performed:** Compare the City's uninsured deposits to fair value of pledged collateral to report any amounts of uninsured and uncollateralized deposits.

Findings: No instances of noncompliance noted. All deposits were insured or collateralized at June 30, 2022.

- IV. **Procedures Performed:** Compare use of material-restricted revenues and resources to their restrictions to report any noted instances of noncompliance.

Findings: No instances of noncompliance noted.

- V. **Procedures Performed:** Compare the accounting for the City's activities by fund to the legal and contractual requirements for separate funds to report any noted instances of noncompliance.

Findings: No instances of noncompliance noted.

- VI. **Procedures Performed:** Compare the City's account balances in reserve accounts to contractually required balances and debt service coverage requirements of bond indentures to the actual coverage to report any noted instances of noncompliance.

Findings: No such compliance requirements were identified that were applicable to the City. No instances of noncompliance noted.

- VII. **Procedures Performed:** For the grants received during the year, prepare a schedule of grant funds awarded, received, expended and the remaining balances. Compared the receipts and disbursements to grant agreements and supporting information to report any noted instances of noncompliance with the grant agreement.

Findings: See Exhibit X. No instances of noncompliance noted.

As to the Erick Public Works Authority, as of and for the year ended June 30, 2022:

- I. **Procedures Performed:** Prepare a schedule of revenues, expenditures and changes in fund balance-cash basis from the Authority's trial balances and compare the schedule results to the statutory prohibition of creating fund balance deficits to report any noted instances of noncompliance.

Findings: See Exhibit IX. No instances of noncompliance noted.

- II. **Procedures Performed:** Agree the Authority's material bank account balances to bank statements and traced the timely clearance of significant reconciling items to report any significant or unusual instances of reconciling items that have not cleared.

Findings: No unusual reconciling items were noted that did not clear on a timely basis.

- III. **Procedures Performed:** Compare the Authority's uninsured deposits to fair value of pledged collateral to report any amounts of uninsured and uncollateralized deposits.

Findings: No instances of noncompliance noted. All deposits were insured or collateralized at June 30, 2022.

- IV. **Procedures Performed:** Compare the Authority's use of material-restricted revenues and resources to their restrictions to report any noted instances of noncompliance.

Findings: No instances of noncompliance noted.

- V. **Procedures Performed:** Compare the accounting for the Authority's activities by fund to the legal and contractual requirements for separate funds to report any noted instances of noncompliance.

Findings: No instances of noncompliance noted.

- VI. **Procedures Performed:** Compare the Authority's account balances in reserve accounts to contractually required balances and debt service coverage requirements of bond indentures to the actual coverage to report any noted instances of noncompliance.

Findings: No instances of noncompliance noted.

We were engaged by The City of Erick and the Erick Public Works Authority to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and the additional requirements prescribed in Oklahoma Statutes 11-17.105-.107 and 60-180.1.-3. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, to meet the requirements prescribed in Oklahoma Statutes 11-17.105-.107 and 60-180.1.-3. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of The City of Erick and the Erick Public Works Authority and to meet our ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the specified users, as identified above, and is not intended to be and should not be used by anyone other than those specified parties.



rsmeacham
CPA • ADVISORS

Clinton, Oklahoma
January 9, 2023

rsmeacham
CPA • ADVISORS

CITY OF ERICK, OKLAHOMA
STATEMENT OF CHANGES IN UNRESTRICTED FUND BALANCES (MODIFIED CASH BASIS)
FOR THE YEAR ENDED JUNE 30, 2022

	<u>Beginning of Year Fund Balances</u>	<u>Current Year Change</u>	<u>End of Year Fund Balances</u>
TOWN:			
General Fund	\$ 522,303	\$ 178,096	\$ 700,399
Street & Alley Fund	40,771	1,935	42,706
Cemetery Replacement Fund	56,384	726	57,110
Ambulance Fund	263,942	8,490	272,432
Fire Dept Fund	176,893	5,497	182,390
Motel Tax Fund	129,946	(1,526)	128,420
Municipal Court Fund	14,178	2,510	16,688
Meter Fund	41,857	-	41,857
Community Building Fund	3,787	-	3,787
Equipment Improvement Fund	1,515	-	1,515
CDBG Grant	1	-	1
CITY TOTAL	<u>1,251,577</u>	<u>195,728</u>	<u>1,447,305</u>
ERICK PUBLIC WORKS AUTHORITY			
EPWA			
Invested in fixed assets	1,626,841	17,920	1,644,761
Unrestricted fund balance	256,463	91,046	347,509
EPWA TOTAL	<u>\$ 1,883,304</u>	<u>\$ 108,966</u>	<u>\$ 1,992,270</u>

See accountant's report.

CITY OF ERICK, OKLAHOMA
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Positive (Negative)</u>
Beginning Budgetary Fund Balance:	\$ 515,752	\$ 522,303	\$ 522,303	\$ -
Resources (Inflows):				
Taxes:				
Sales tax	377,416	387,166	450,264	63,098
Use tax	46,607	46,607	49,914	3,307
Tobacco tax	4,414	4,414	4,465	51
Lodging tax	2,025	2,025	1,750	(275)
Total Taxes	430,462	440,212	506,394	66,182
Intergovernmental:				
Alcoholic beverage tax	12,261	12,261	13,277	1,016
Franchise tax	19,409	19,409	27,091	7,682
Permits & Licenses	238	238	300	62
Total Intergovernmental	31,908	31,908	40,668	8,760
Fines and Forfeitures	13,113	13,113		(13,113)
Investment Income	955	955	846	(110)
Miscellaneous Income	9,709	9,709	18,167	8,458
Miscellaneous Police reimbursements	40	40	3,373	3,333
Donations	2,286	3,136	3,555	419
Grants	-	3,500	102,518	99,018
Total current year resources	488,473	502,573	675,520	172,947
Amounts available for appropriation	\$ 1,004,225	\$ 1,024,876	\$ 1,197,823	\$ 172,947
Charges to Appropriations (Outflows):				
General government:				
Personal services	60,000	63,000	60,969	2,031
Maintenance and operations	8,000	8,000	4,411	3,589
Other services and charges	35,000	40,000	36,742	3,258
Capital outlay	-	7,200	12,144	(4,944)
Total General Government	103,000	118,200	114,265	3,935
Public Works-Street Dept:				
Personal services	120,000	120,000	117,960	2,040
Maintenance and operations	15,000	15,000	18,654	(3,654)
Other services and charges	20,000	20,000	25,430	(5,430)
Capital outlay	10,000	13,600	3,510	10,090
Total Public Works-Street Dept	165,000	168,600	165,553	3,047
Community Building				
Materials and supplies	-	-	-	-
Other services and charges	1,000	1,000	745	255
Total Community Building	1,000	1,000	745	255
Police:				
Personal services	120,000	120,000	116,307	3,693
Maintenance and operations	15,000	15,000	12,123	2,877
Other services and charges	30,000	30,000	25,802	4,198
Capital outlay	42,000	44,200	51,923	(7,723)
Total Police	207,000	209,200	206,155	3,045
Cemetery:				
Other services and charges	1,000	1,000	650	350
Total Cemetery	1,000	1,000	650	350
Library:				
Personal services	7,000	7,500	6,873	627
Maintenance and operations	1,000	1,200	805	395
Other services and charges	1,500	2,550	2,231	319
Capital outlay	1,500	3,100	2,683	417
Total Library	11,000	14,350	12,591	1,759
Parks:				
Personal services	15,000	15,000	8,743	6,257
Maintenance and operations	4,000	4,850	-	4,850
Other services and charges	6,000	6,000	10,633	(4,633)
Capital outlay	-	1,400	1,365	35
Total Parks	25,000	27,250	20,742	6,508
Other Financing Uses:				
Transfer (in) out	-	-	(23,277)	23,277
Transfer to Court	-	-	-	-
Total Other Financing Uses:	-	-	(23,277)	23,277
Total Charges to Appropriations	513,000	539,600	497,424	42,176
Change in Fund Balance	(24,527)	(37,027)	178,096	215,123
Ending Budgetary Fund Balance	491,225	485,276	700,399	215,123
UNRESTRICTED FUND BALANCE AT END OF YEAR (MODIFIED CASH BASIS)			700,399	

CITY OF ERICK, OKLAHOMA
BUDGETARY COMPARISON SCHEDULE-MODIFIED CASH BASIS
STREET AND ALLEY FUND
FOR THE YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance with
	Final	Actual	Amounts	Final Budget Positive (Negative)
Beginning Budgetary Fund Balance:	\$ 40,612	\$ 40,612	\$ 40,771	\$ 159
Resources (Inflows):				
Taxes:				
Auto tax	6,353	6,553	7,929	1,376
Gas tax	1,502	2,302	1,783	(519)
Total Taxes	7,855	8,855	9,712	857
Investment Income	125	125	58	(67)
Total current year resources	7,980	8,980	9,770	790
Amounts available for appropriation	\$ 48,591	\$ 49,592	\$ 50,541	\$ 949
Charges to Appropriations (Outflows):				
Street				
Other services and charges	7,000	8,000	7,835	165
Total General Government	7,000	8,000	7,835	165
Total Charges to Appropriations	7,000	8,000	7,835	165
Change in Fund Balance	980	980	1,935	955
Ending Budgetary Fund Balance	41,591	41,592	42,706	1,114
UNRESTRICTED FUND BALANCE AT END OF YEAR (MODIFIED CASH BASIS)			42,706	

CITY OF ERICK, OKLAHOMA
BUDGETARY COMPARISON SCHEDULE-MODIFIED CASH BASIS
CEMETERY FUND
FOR THE YEAR ENDED JUNE 30, 2022

	Budgeted amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Beginning Budgetary Fund Balance:	\$ 56,362	\$ 56,362	\$ 56,384	\$ 22
Resources (Inflows):				
Interment	510	510	369	(141)
Plot Sales	7	7	300	293
Interest	83	83	57	(26)
Total	<u>600</u>	<u>600</u>	<u>726</u>	<u>126</u>
Total current year resources	<u>600</u>	<u>600</u>	<u>726</u>	<u>126</u>
Amounts available for appropriation	<u>\$ 56,962</u>	<u>\$ 56,962</u>	<u>\$ 57,110</u>	<u>\$ 148</u>
Charges to Appropriations (Outflows):	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in Fund Balance	<u>600</u>	<u>600</u>	<u>726</u>	<u>126</u>
Ending Budgetary Fund Balance	<u>56,962</u>	<u>56,962</u>	<u>57,110</u>	<u>148</u>
UNRESTRICTED FUND BALANCE AT END OF YEAR (MODIFIED CASH BASIS)		<u>56,962</u>	<u>57,110</u>	

CITY OF ERICK, OKLAHOMA
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
AMBULANCE FUND
FOR THE YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Beginning Budgetary Fund Balance:	\$ 273,757	\$ 263,942	\$ 263,942	\$ -
Resources (Inflows):				
Taxes:				
Sales tax	47,177	52,177	56,283	4,106
Use tax	5,826	5,826	6,239	413
Total Taxes	53,003	58,003	62,522	4,519
Service	122,522	122,522	121,991	(531)
Ambulance 522	133,845	196,845	197,471	626
Subscriptions	28,433	30,433	31,643	1,210
Penalty	488	488	545	57
Interest income	338	338	396	58
Miscellaneous Income	-	8,665	8,665	0
Total current year resources	338,629	417,294	423,233	5,939
Amounts available for appropriation	\$ 612,386	\$ 681,236	\$ 687,175	\$ 5,939
Charges to Appropriations (Outflows):				
General government:				
Personal services	280,000	280,000	271,293	8,707
Maintenance and operations	30,000	57,665	51,941	5,724
Other services and charges	45,000	64,000	57,215	6,785
Capital Outlay	-	34,800	34,294	506
Total General Government	355,000	436,465	414,743	21,722
Change in Fund Balance	(16,371)	(19,171)	8,490	27,661
Ending Budgetary Fund Balance	257,386	244,771	272,432	27,661
UNRESTRICTED FUND BALANCE AT END OF YEAR (MODIFIED CASH BASIS)			272,432	

CITY OF ERICK, OKLAHOMA
 BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
 FIRE FUND
 FOR THE YEAR ENDED JUNE 30, 2022

	Budgeted Amounts Original	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Beginning Budgetary Fund Balance:	\$ 175,251	\$ 175,251	\$ 176,893	\$ 1,642
Resources (Inflows):				
Taxes:				
Sales tax	47,177	47,177	56,283	9,106
Use tax	5,826	5,826	6,239	413
Total	53,003	53,003	62,522	9,519
Investment Income	833	833	272	(561)
Donations	-	-	3,485	3,485
Miscellaneous Income	-	-	350	350
Grants-Fire Dept	4,344	4,344	4,763	419
Total current year resources	58,180	58,180	71,392	13,212
Amounts available for appropriation	\$ 233,431	\$ 233,431	\$ 248,285	\$ 14,854
Charges to Appropriations (Outflows):				
Fire:				
Personal services	10,000	10,000	7,567	2,433
Maintenance and operations	25,000	28,000	24,263	3,737
Other services and charges	20,000	20,000	26,071	(6,071)
Capital outlay	-	8,000	7,994	6
Total Fire:	55,000	66,000	65,895	105
Other Financing Uses:				
Total Charges to Appropriations	55,000	66,000	65,895	105
Change in Fund Balance	3,180	(7,820)	5,497	13,107
Ending Budgetary Fund Balance	178,431	167,431	182,390	14,749
UNRESTRICTED FUND BALANCE AT END OF YEAR (MODIFIED CASH BASIS)			182,390	

CITY OF ERICK, OKLAHOMA
 BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
 HOTEL/MOTEL FUND
 FOR THE YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Beginning Budgetary Fund Balance:	\$ 128,939	\$ 129,946	\$ 129,946	\$ 1,007
Resources (Inflows):				
Intergovernmental:				
Lodging tax	8,718	10,286	12,742	2,456
Total Intergovernmental	8,718	10,286	12,742	2,456
Investment Income	174	174	136	(38)
Grant income	-	-	-	-
Total current year resources	8,892	10,460	12,878	2,418
Amounts available for appropriation	\$ 137,831	\$ 140,406	\$ 142,824	\$ 3,425
Charges to Appropriations (Outflows):				
General government:				
Other services and charges	3,500	3,500	3,282	218
Capital outlay	-	11,168	11,122	46
Total General Government	3,500	14,668	14,404	264
Other Financing Uses:				
Debt service	-	-	-	-
Total Charges to Appropriations	3,500	14,668	14,404	264
Change in Fund Balance	5,392	(4,208)	(1,526)	2,682
Ending Budgetary Fund Balance	134,331	125,738	128,420	3,689
UNRESTRICTED FUND BALANCE AT END OF YEAR (MODIFIED CASH BASIS)			128,420	

CITY OF ERICK, OKLAHOMA
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
COURT FUND
FOR THE YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Beginning Budgetary Fund Balance:	\$ 13,684	\$ 14,178	\$ 14,178	\$ 494
Resources (Inflows):				
Bonds & Fines	8,655	19,655	19,591	(64)
Fees	254	254	6,738	6,484
Fees due to State	1,578	2,978	-	(2,978)
Admin Fees from State	36	36	-	(36)
Costs	1,950	3,450	-	(3,450)
Drug/Alcohol	124	124	200	76
Technology Fee	1,220	2,220	2,355	135
Interest Income	25	25	17	(8)
Total	<u>13,842</u>	<u>28,742</u>	<u>28,901</u>	<u>159</u>
Miscellaneous Income	-	-	-	-
Total current year resources	<u>13,842</u>	<u>28,742</u>	<u>28,901</u>	<u>159</u>
Amounts available for appropriation	<u>\$ 27,526</u>	<u>\$ 42,920</u>	<u>\$ 43,079</u>	<u>\$ 653</u>
Charges to Appropriations (Outflows):				
Court:				
Other services and charges	1,700	3,100	3,114	(14)
Total Court:	<u>1,700</u>	<u>3,100</u>	<u>3,114</u>	<u>(14)</u>
Other Financing Uses:				
Transfers	10,000	23,500	23,277	223
Total Charges to Appropriations	<u>11,700</u>	<u>26,600</u>	<u>26,391</u>	<u>209</u>
Change in Fund Balance	2,142	2,142	2,510	368
Ending Budgetary Fund Balance	<u>15,826</u>	<u>16,320</u>	<u>16,688</u>	<u>862</u>
ADJUSTMENTS TO MODIFIED CASH BASIS				
Other adjustments			-	
UNRESTRICTED FUND BALANCE AT END OF YEAR (MODIFIED CASH BASIS)			<u>16,688</u>	

ERICK PUBLIC WORKS AUTHORITY ERICK, OKLAHOMA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE - MODIFIED CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2022

Operating Revenues:**Charges for services:**

Water	286,696
Sewer	98,856
Sanitation	248,150
Other	18,814
Total Operating Revenues	652,516

Operating Expenses:

Salaries	299,803
Materials & Supplies	255,158
Capital Outlay	1,170
Total Operating Expenses	556,131
Operating Income	96,385

Non-Operating Revenues and Expenses:

Investment income	1,185
Debt service-interest	(18,444)
Grant Income	29,309
Grant expense	(1,270)
Lease income	1,800
Total Non-Operating Revenues	12,580

Net Income Before Contributions and Transfers 108,966

Change in fund balance 108,966

Fund Balance - beginning **1,883,304**

Fund Balance - ending **1,992,270**

Reconciliation to cash basis -

Fund Balance - ending **1,992,270**

Exhibit X

CITY OF ERICK, OKLAHOMA
SCHEDULE OF GRANTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Grant revenue	Funding period	Project description	Award	Amount received	Amount expended	Receipts less expenditures
Grant received from:						
SWODA	FY22	CENA	\$ -	\$ 5,623	\$ 5,623	(1)
Dept of Agriculture	FY22	Fire operationaal	4,763	4,763	4,763	0
	FY 22	Police Hazard Mitigation	6,155	6,155	-	6,155
SWODA	FY22-23	REAP/Sewer line	73,426	-	-	-
Dept of Emergency		Hazard Mitigation *	28,039	28,039	-	28,039
US Governement	FY21	ARPA	87,240	87,240	-	87,240
CDBG	FY21	#17747CDBG19 Sewer Line	47,493	1,270	-	1,270
MODA	FY21-FY22 by December 31, 2021	Metal Awnings at City Hall and Library	35,000	3,500	7,121	(3,621)
Rural Development	FY22-23	Communities Facilities Grant/New Ambulance	218,700	-	-	-
Total			<u>\$ 500,816</u>	<u>\$ 136,590</u>	<u>\$ 17,507</u>	<u>\$ 119,083</u>

**reimbursed in FY22 for FY21 expenditure

See accountant's report.